

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR
1998

OCTOBER 28, 1997.—Ordered to be printed

Mr. GOSS, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany S. 858]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 858), to authorize appropriations for fiscal year 1998 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) *SHORT TITLE.*—This Act may be cited as the “Intelligence Authorization Act for Fiscal Year 1998”.

(b) *TABLE OF CONTENTS.*—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—INTELLIGENCE ACTIVITIES

Sec. 101. Authorization of appropriations.

Sec. 102. Classified schedule of authorizations.

Sec. 103. Personnel ceiling adjustments.

Sec. 104. Community Management Account.

**TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND
DISABILITY SYSTEM**

Sec. 201. Authorization of appropriations.

TITLE III—GENERAL PROVISIONS

- Sec. 301. Increase in employee compensation and benefits authorized by law.*
- Sec. 302. Restriction on conduct of intelligence activities.*
- Sec. 303. Detail of intelligence community personnel.*
- Sec. 304. Extension of application of sanctions laws to intelligence activities.*
- Sec. 305. Sense of Congress on intelligence community contracting.*
- Sec. 306. Sense of Congress on receipt of classified information.*
- Sec. 307. Provision of information on certain violent crimes abroad to victims and victims' families.*
- Sec. 308. Annual reports on intelligence activities of the People's Republic of China.*
- Sec. 309. Standards for spelling of foreign names and places and for use of geographic coordinates.*
- Sec. 310. Review of studies on chemical weapons in the Persian Gulf during the Persian Gulf War.*
- Sec. 311. Amendments to Fair Credit Reporting Act.*

TITLE IV—CENTRAL INTELLIGENCE AGENCY

- Sec. 401. Multiyear leasing authority.*
- Sec. 402. Subpoena authority for the Inspector General of the Central Intelligence Agency.*
- Sec. 403. CIA central services program.*
- Sec. 404. Protection of CIA facilities.*
- Sec. 405. Administrative location of the Office of the Director of Central Intelligence.*

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

- Sec. 501. Authority to award academic degree of Bachelor of Science in Intelligence.*
- Sec. 502. Funding for infrastructure and quality of life improvements at Menwith Hill and Bad Aibling stations.*
- Sec. 503. Unauthorized use of name, initials, or seal of National Reconnaissance Office.*

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1998 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

- (1) The Central Intelligence Agency.*
- (2) The Department of Defense.*
- (3) The Defense Intelligence Agency.*
- (4) The National Security Agency.*
- (5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.*
- (6) The Department of State.*
- (7) The Department of the Treasury.*
- (8) The Department of Energy.*
- (9) The Federal Bureau of Investigation.*
- (10) The Drug Enforcement Administration.*
- (11) The National Reconnaissance Office.*
- (12) The National Imagery and Mapping Agency.*

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 1998, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the conference report on the bill S.858 of the One Hundred Fifth Congress.

(b) *AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.*—The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the Executive Branch.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) *AUTHORITY FOR ADJUSTMENTS.*—With the approval of the Director of the Office of Management and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 1998 under section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed two percent of the number of civilian personnel authorized under such section for such element.

(b) *NOTICE TO INTELLIGENCE COMMITTEES.*—The Director of Central Intelligence shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever the Director exercises the authority granted by this section.

SEC. 104. COMMUNITY MANAGEMENT ACCOUNT.

(a) *AUTHORIZATION OF APPROPRIATIONS.*—

(1) *AUTHORIZATION.*—There is authorized to be appropriated for the Community Management Account of the Director of Central Intelligence for fiscal year 1998 the sum of \$121,580,000.

(2) *AVAILABILITY OF CERTAIN FUNDS.*—Within such amount, funds identified in the classified Schedule of Authorizations referred to in section 102(a) for the Advanced Research and Development Committee and the Environmental Intelligence and Applications Program shall remain available until September 30, 1999.

(b) *AUTHORIZED PERSONNEL LEVELS.*—The elements within the Community Management Account of the Director of Central Intelligence are authorized a total of 283 full-time personnel as of September 30, 1998. Personnel serving in such elements may be permanent employees of the Community Management Account element or personnel detailed from other elements of the United States Government.

(c) *CLASSIFIED AUTHORIZATIONS.*—

(1) *AUTHORIZATION OF APPROPRIATIONS.*—In addition to amounts authorized to be appropriated for the Community Management Account by subsection (a), there is also authorized to be appropriated for the Community Management Account for fiscal year 1998 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a).

(2) *AUTHORIZATION OF PERSONNEL.*—In addition to the personnel authorized by subsection (b) for elements of the Community Management Account as of September 30, 1998, there is hereby authorized such additional personnel for such elements

as of that date as is specified in the classified Schedule of Authorizations.

(d) **REIMBURSEMENT.**—Except as provided in section 113 of the National Security Act of 1947 (as added by section 303 of this Act), during fiscal year 1998, any officer or employee of the United States or member of the Armed Forces who is detailed to the staff of an element within the Community Management Account from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a non-reimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

(e) **NATIONAL DRUG INTELLIGENCE CENTER.**—

(1) **IN GENERAL.**—Of the amount authorized to be appropriated in subsection (a), the amount of \$27,000,000 shall be available for the National Drug Intelligence Center. Within such amount, funds provided for research, development, test, and evaluation purposes shall remain available until September 30, 1999, and funds provided for procurement purposes shall remain available until September 30, 2000.

(2) **TRANSFER OF FUNDS.**—The Director of Central Intelligence shall transfer to the Attorney General of the United States funds available for the National Drug Intelligence Center under paragraph (1). The Attorney General shall utilize funds so transferred for the activities of the Center.

(3) **LIMITATION.**—Amounts available for the Center may not be used in contravention of the provisions of section 103(d)(1) of the National Security Act of 1947 (50 U.S.C. 403–3(d)(1)).

(4) **AUTHORITY.**—Notwithstanding any other provision of law, the Attorney General shall retain full authority over the operations of the Center.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 1998 the sum of \$196,900,000.

TITLE III—GENERAL PROVISIONS

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence ac-

tivity which is not otherwise authorized by the Constitution or the laws of the United States.

SEC. 303. DETAIL OF INTELLIGENCE COMMUNITY PERSONNEL.

(a) IN GENERAL.—Title I of the National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding at the end the following new section:

“DETAIL OF INTELLIGENCE COMMUNITY PERSONNEL—INTELLIGENCE COMMUNITY ASSIGNMENT PROGRAM

“SEC. 113. (a) DETAIL.—(1) Notwithstanding any other provision of law, the head of a department with an element in the intelligence community or the head of an intelligence community agency or element may detail any employee within that department, agency, or element to serve in any position in the Intelligence Community Assignment Program on a reimbursable or a nonreimbursable basis.

“(2) Nonreimbursable details may be for such periods as are agreed to between the heads of the parent and host agencies, up to a maximum of three years, except that such details may be extended for a period not to exceed one year when the heads of the parent and host agencies determine that such extension is in the public interest.

“(b) BENEFITS, ALLOWANCES, TRAVEL, INCENTIVES.—An employee detailed under subsection (a) may be authorized any benefit, allowance, travel, or incentive otherwise provided to enhance staffing by the organization from which the employee is detailed.

“(c) ANNUAL REPORT.—Not later than March 1, 1999, and annually thereafter, the Director of Central Intelligence shall submit to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate a report describing the detail of intelligence community personnel pursuant to subsection (a) during the 12-month period ending on the date of the report. The report shall set forth the number of personnel detailed, the identity of parent and host agencies or elements, and an analysis of the benefits of the details.”.

(b) TECHNICAL AMENDMENT.—Sections 120, 121, and 110 of the National Security Act of 1947 are hereby redesignated as sections 110, 111, and 112, respectively.

(c) CLERICAL AMENDMENT.—The table of contents in the first section of such Act is amended by striking out the items relating to sections 120, 121, and 110 and inserting in lieu thereof the following:

“Sec. 110. National mission of National Imagery and Mapping Agency.

“Sec. 111. Collection tasking authority.

“Sec. 112. Restrictions on intelligence sharing with the United Nations.

“Sec. 113. Detail of intelligence community personnel—intelligence community assignment program.”.

(d) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to an employee on detail on or after January 1, 1997.

SEC. 304. EXTENSION OF APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES.

Section 905 of the National Security Act of 1947 (50 U.S.C. 441d) is amended by striking out “January 6, 1998” and inserting in lieu thereof “January 6, 1999”.

SEC. 305. SENSE OF CONGRESS ON INTELLIGENCE COMMUNITY CONTRACTING.

It is the sense of Congress that the Director of Central Intelligence should continue to direct that elements of the intelligence community, whenever compatible with the national security interests of the United States and consistent with operational and security concerns related to the conduct of intelligence activities, and where fiscally sound, should competitively award contracts in a manner that maximizes the procurement of products properly designated as having been made in the United States.

SEC. 306. SENSE OF CONGRESS ON RECEIPT OF CLASSIFIED INFORMATION.

It is the sense of Congress that Members of Congress have equal standing with officials of the Executive Branch to receive classified information so that Congress may carry out its oversight responsibilities under the Constitution.

SEC. 307. PROVISION OF INFORMATION ON CERTAIN VIOLENT CRIMES ABROAD TO VICTIMS AND VICTIMS' FAMILIES.

(a) *SENSE OF CONGRESS.—It is the sense of Congress that—*

(1) it is in the national interests of the United States to provide information regarding the killing, abduction, torture, or other serious mistreatment of United States citizens abroad to the victims of such crimes, or the families of victims of such crimes if they are United States citizens; and

(2) the provision of such information is sufficiently important that the discharge of the responsibility for identifying and disseminating such information should be vested in a cabinet-level officer of the United States Government.

(b) *RESPONSIBILITY.—The Secretary of State shall take appropriate actions to ensure that the United States Government takes all appropriate actions to—*

(1) identify promptly information (including classified information) in the possession of the departments and agencies of the United States Government regarding the killing, abduction, torture, or other serious mistreatment of United States citizens abroad; and

(2) subject to subsection (c), promptly make such information available to—

(A) the victims of such crimes; or

(B) when appropriate, the family members of the victims of such crimes if such family members are United States citizens.

(c) *LIMITATIONS.—The Secretary shall work with the heads of appropriate departments and agencies of the United States Government in order to ensure that information relevant to a crime covered by subsection (b) is promptly reviewed and, to the maximum extent practicable, without jeopardizing sensitive sources and methods or other vital national security interests, or without jeopardizing an on-going criminal investigation or proceeding, made available under that subsection unless such disclosure is specifically prohibited by law.*

SEC. 308. ANNUAL REPORTS ON INTELLIGENCE ACTIVITIES OF THE PEOPLE'S REPUBLIC OF CHINA.

(a) *REPORT TO CONGRESS.*—Not later than 90 days after the date of enactment of this Act and annually thereafter, the Director of Central Intelligence and the Director of the Federal Bureau of Investigation, jointly and in consultation with the heads of other appropriate Federal agencies, including the National Security Agency and the Departments of Defense, Justice, Treasury, and State, shall prepare and transmit to Congress a report on intelligence activities of the People's Republic of China directed against or affecting the interests of the United States.

(b) *DELIVERY OF REPORT.*—The Director of Central Intelligence and the Director of the Federal Bureau of Investigation shall jointly transmit classified and unclassified versions of the report to the Speaker and Minority leader of the House of Representatives, the Majority and Minority leaders of the Senate, the Chairman and Ranking Member of the Permanent Select Committee on Intelligence of the House of Representatives, and the Chairman and Vice-Chairman of the Select Committee on Intelligence of the Senate.

SEC. 309. STANDARDS FOR SPELLING OF FOREIGN NAMES AND PLACES AND FOR USE OF GEOGRAPHIC COORDINATES.

(a) *SURVEY OF CURRENT STANDARDS.*—

(1) *SURVEY.*—The Director of Central Intelligence shall carry out a survey of current standards for the spelling of foreign names and places, and the use of geographic coordinates for such places, among the elements of the intelligence community.

(2) *REPORT.*—Not later than 90 days after the date of enactment of this Act, the Director shall submit to the congressional intelligence committees a report on the survey carried out under paragraph (1). The report shall be submitted in unclassified form, but may include a classified annex.

(b) *GUIDELINES.*—

(1) *ISSUANCE.*—Not later than 180 days after the date of enactment of this Act, the Director shall issue guidelines to ensure the use of uniform spelling of foreign names and places and the uniform use of geographic coordinates for such places. The guidelines shall apply to all intelligence reports, intelligence products, and intelligence databases prepared and utilized by the elements of the intelligence community.

(2) *BASIS.*—The guidelines under paragraph (1) shall, to the maximum extent practicable, be based on current United States Government standards for the transliteration of foreign names, standards for foreign place names developed by the Board on Geographic Names, and a standard set of geographic coordinates.

(3) *SUBMITTAL TO CONGRESS.*—The Director shall submit a copy of the guidelines to the congressional intelligence committees.

(c) *CONGRESSIONAL INTELLIGENCE COMMITTEES DEFINED.*—In this section, the term “congressional intelligence committees” means the following:

(1) *The Select Committee on Intelligence of the Senate.*

(2) *The Permanent Select Committee on Intelligence of the House of Representatives.*

SEC. 310. REVIEW OF STUDIES ON CHEMICAL WEAPONS IN THE PERSIAN GULF DURING THE PERSIAN GULF WAR.

(a) *REVIEW.*—

(1) *IN GENERAL.*—Not later than May 31, 1998, the Inspector General of the Central Intelligence Agency shall complete a review of the studies conducted by the Federal Government regarding the presence, use, or destruction of chemical weapons in the Persian Gulf theater of operations during the Persian Gulf War.

(2) *PURPOSE.*—The purpose of the review is to identify any additional investigation or research that may be necessary—

(A) *to determine fully and completely the extent of Central Intelligence Agency knowledge of the presence, use, or destruction of such weapons in that theater of operations during that war; and*

(B) *with respect to any other issue relating to the presence, use, or destruction of such weapons in that theater of operations during that war that the Inspector General considers appropriate.*

(b) *REPORT ON REVIEW.*—

(1) *REQUIREMENT.*—Upon the completion of the review, the Inspector General shall submit to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives a report on the results of the review. The report shall include such recommendations for additional investigations or research as the Inspector General considers appropriate.

(2) *FORM.*—The report shall be submitted in unclassified form, but may include a classified annex.

SEC. 311. AMENDMENTS TO FAIR CREDIT REPORTING ACT.

(a) *EXCEPTION TO CONSUMER DISCLOSURE REQUIREMENT.*—Section 604(b) of the Fair Credit Reporting Act (15 U.S.C. 1681b(b)) (as amended by chapter 1 of subtitle D of the Economic Growth and Regulatory Paperwork Reduction Act of 1996) is amended by adding at the end the following new paragraph:

“(4) *EXCEPTION FOR NATIONAL SECURITY INVESTIGATIONS.*—

“(A) *IN GENERAL.*—In the case of an agency or department of the United States Government which seeks to obtain and use a consumer report for employment purposes, paragraph (3) shall not apply to any adverse action by such agency or department which is based in part on such consumer report, if the head of such agency or department makes a written finding that—

“(i) *the consumer report is relevant to a national security investigation of such agency or department;*

“(ii) *the investigation is within the jurisdiction of such agency or department;*

“(iii) *there is reason to believe that compliance with paragraph (3) will—*

“(I) *endanger the life or physical safety of any person;*

“(II) result in flight from prosecution;

“(III) result in the destruction of, or tampering with, evidence relevant to the investigation;

“(IV) result in the intimidation of a potential witness relevant to the investigation;

“(V) result in the compromise of classified information; or

“(VI) otherwise seriously jeopardize or unduly delay the investigation or another official proceeding.

“(B) NOTIFICATION OF CONSUMER UPON CONCLUSION OF INVESTIGATION.—Upon the conclusion of a national security investigation described in subparagraph (A), or upon the determination that the exception under subparagraph (A) is no longer required for the reasons set forth in such subparagraph, the official exercising the authority in such subparagraph shall provide to the consumer who is the subject of the consumer report with regard to which such finding was made—

“(i) a copy of such consumer report with any classified information redacted as necessary;

“(ii) notice of any adverse action which is based, in part, on the consumer report; and

“(iii) the identification with reasonable specificity of the nature of the investigation for which the consumer report was sought.

“(C) DELEGATION BY HEAD OF AGENCY OR DEPARTMENT.—For purposes of subparagraphs (A) and (B), the head of any agency or department of the United States Government may delegate his or her authorities under this paragraph to an official of such agency or department who has personnel security responsibilities and is a member of the Senior Executive Service or equivalent civilian or military rank.

“(D) REPORT TO THE CONGRESS.—Not later than January 31 of each year, the head of each agency and department of the United States Government that exercised authority under this paragraph during the preceding year shall submit a report to the Congress on the number of times the department or agency exercised such authority during the year.

“(E) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

“(i) CLASSIFIED INFORMATION.—The term ‘classified information’ means information that is protected from unauthorized disclosure under Executive Order No. 12958 or successor orders.

“(ii) NATIONAL SECURITY INVESTIGATION.—The term ‘national security investigation’ means any official inquiry by an agency or department of the United States Government to determine the eligibility of a consumer to receive access or continued access to classified information or to determine whether classified information has been lost or compromised.”.

(b) **RESALE OF CONSUMER REPORT TO A FEDERAL AGENCY OR DEPARTMENT.**—Section 607(e) of the Fair Credit Reporting Act (12 U.S.C. 1681e(e)) (as amended by chapter 1 of subtitle D of the Economic Growth and Regulatory Paperwork Reduction Act of 1996) is amended by adding at the end the following new paragraph:

“(3) **RESALE OF CONSUMER REPORT TO A FEDERAL AGENCY OR DEPARTMENT.**—Notwithstanding paragraph (1) or (2), a person who procures a consumer report for purposes of reselling the report (or any information in the report) shall not disclose the identity of the end-user of the report under paragraph (1) or (2) if—

“(A) the end user is an agency or department of the United States Government which procures the report from the person for purposes of determining the eligibility of the consumer concerned to receive access or continued access to classified information (as defined in section 604(b)(4)(E)(i)); and

“(B) the agency or department certifies in writing to the person reselling the report that nondisclosure is necessary to protect classified information or the safety of persons employed by or contracting with, or undergoing investigation for work or contracting with the agency or department.”.

(c) **EFFECTIVE DATE.**—The amendments made by subsections (a) and (b) shall take effect as if such amendments had been included in chapter 1 of subtitle D of the Economic Growth and Regulatory Paperwork Reduction Act of 1996 as of the date of the enactment of such Act.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. MULTIYEAR LEASING AUTHORITY.

(a) **IN GENERAL.**—Section 5 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403f) is amended—

(1) by redesignating paragraphs (a) through (f) as paragraphs (1) through (6), respectively;

(2) by inserting “(a)” after “SEC. 5.”;

(3) in paragraph (5), as so redesignated, by striking out “without regard” and all that follows through “; and” and inserting in lieu thereof a semicolon;

(4) by striking out the period at the end of paragraph (6), as so redesignated, and inserting in lieu thereof “; and”;

(5) by inserting after paragraph (6) the following new paragraph:

“(7) Notwithstanding section 1341(a)(1) of title 31, United States Code, enter into multiyear leases for up to 15 years.”; and

(6) by inserting at the end the following new subsection:

“(b)(1) The authority to enter into a multiyear lease under subsection (a)(7) shall be subject to appropriations provided in advance for—

“(A) the entire lease; or

“(B) the first 12 months of the lease and the Government’s estimated termination liability.

“(2) In the case of any such lease entered into under subparagraph (B) of paragraph (1)—

“(A) such lease shall include a clause that provides that the contract shall be terminated if budget authority (as defined by section 3(2) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(2))) is not provided specifically for that project in an appropriations Act in advance of an obligation of funds in respect thereto;

“(B) notwithstanding section 1552 of title 31, United States Code, amounts obligated for paying termination costs with respect to such lease shall remain available until the costs associated with termination of such lease are paid;

“(C) funds available for termination liability shall remain available to satisfy rental obligations with respect to such lease in subsequent fiscal years in the event such lease is not terminated early, but only to the extent those funds are in excess of the amount of termination liability at the time of their use to satisfy such rental obligations; and

“(D) funds appropriated for a fiscal year may be used to make payments on such lease, for a maximum of 12 months, beginning any time during such fiscal year.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to multiyear leases entered into under section 5 of the Central Intelligence Agency Act of 1949, as so amended, on or after October 1, 1997.

SEC. 402. SUBPOENA AUTHORITY FOR THE INSPECTOR GENERAL OF THE CENTRAL INTELLIGENCE AGENCY.

(a) AUTHORITY.—Subsection (e) of section 17 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403g) is amended—

(1) by redesignating paragraphs (5) through (7) as paragraphs (6) through (8), respectively; and

(2) by inserting after paragraph (4) the following new paragraph (5):

“(5)(A) Except as provided in subparagraph (B), the Inspector General is authorized to require by subpoena the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of the duties and responsibilities of the Inspector General.

“(B) In the case of Government agencies, the Inspector General shall obtain information, documents, reports, answers, records, accounts, papers, and other data and evidence for the purpose specified in subparagraph (A) using procedures other than by subpoenas.

“(C) The Inspector General may not issue a subpoena for or on behalf of any other element or component of the Agency.

“(D) In the case of contumacy or refusal to obey a subpoena issued under this paragraph, the subpoena shall be enforceable by order of any appropriate district court of the United States.

“(E) Not later than January 31 and July 31 of each year, the Inspector General shall submit to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives a report of the Inspector Gen-

eral's exercise of authority under this paragraph during the preceding six months."

(b) *LIMITATION ON AUTHORITY FOR PROTECTION OF NATIONAL SECURITY.*—Subsection (b)(3) of that section is amended by inserting “, or from issuing any subpoena, after the Inspector General has decided to initiate, carry out, or complete such audit, inspection, or investigation or to issue such subpoena,” after “or investigation”.

SEC. 403. CIA CENTRAL SERVICES PROGRAM.

(a) *AUTHORITY FOR PROGRAM.*—The Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et seq.) is amended by adding at the end the following new section:

“CENTRAL SERVICES PROGRAM

“SEC. 21. (a) IN GENERAL.—The Director may carry out a program under which elements of the Agency provide items and services on a reimbursable basis to other elements of the Agency and to other Government agencies. The Director shall carry out the program in accordance with the provisions of this section.

“(b) PARTICIPATION OF AGENCY ELEMENTS.—(1) In order to carry out the program, the Director shall—

“(A) designate the elements of the Agency that are to provide items or services under the program (in this section referred to as ‘central service providers’);

“(B) specify the items or services to be provided under the program by such providers; and

“(C) assign to such providers for purposes of the program such inventories, equipment, and other assets (including equipment on order) as the Director determines necessary to permit such providers to provide items or services under the program.

“(2) The designation of elements and the specification of items and services under paragraph (1) shall be subject to the approval of the Director of the Office of Management and Budget.

“(c) CENTRAL SERVICES WORKING CAPITAL FUND.—(1) There is established a fund to be known as the Central Services Working Capital Fund (in this section referred to as the ‘Fund’). The purpose of the Fund is to provide sums for activities under the program.

“(2) There shall be deposited in the Fund the following:

“(A) Amounts appropriated to the Fund.

“(B) Amounts credited to the Fund from payments received by central service providers under subsection (e).

“(C) Fees imposed and collected under subsection (f)(1).

“(D) Amounts collected in payment for loss or damage to equipment or other property of a central service provider as a result of activities under the program.

“(E) Such other amounts as the Director is authorized to deposit in or transfer to the Fund.

“(3) Amounts in the Fund shall be available, without fiscal year limitation, for the following purposes:

“(A) To pay the costs of providing items or services under the program.

“(B) To pay the costs of carrying out activities under subsection (f)(2).

“(d) LIMITATION ON AMOUNT OF ORDERS.—The total value of all orders for items or services to be provided under the program in any fiscal year may not exceed an amount specified in advance by the Director of the Office of Management and Budget.

“(e) PAYMENT FOR ITEMS AND SERVICES.—(1) A Government agency provided items or services under the program shall pay the central service provider concerned for such items or services an amount equal to the costs incurred by the provider in providing such items or services plus any fee imposed under subsection (f). In calculating such costs, the Director shall take into account personnel costs (including costs associated with salaries, annual leave, and workers’ compensation), plant and equipment costs (including depreciation of plant and equipment), operation and maintenance expenses, amortized costs, and other expenses.

“(2) Payment for items or services under paragraph (1) may take the form of an advanced payment by an agency from appropriations available to such agency for the procurement of such items or services.

“(f) FEES.—(1) The Director may permit a central service provider to impose and collect a fee with respect to the provision of an item or service under the program. The amount of the fee may not exceed an amount equal to four percent of the payment received by the provider for the item or service.

“(2)(A) Subject to subparagraph (B), the Director may obligate and expend amounts in the Fund that are attributable to the fees imposed and collected under paragraph (1) to acquire equipment or systems for, or to improve the equipment or systems of, elements of the Agency that are not designated for participation in the program in order to facilitate the designation of such elements for future participation in the program.

“(B) The Director may not expend amounts in the Fund for purposes specified in subparagraph (A) in fiscal year 1998, 1999, or 2000 unless the Director—

“(i) secures the prior approval of the Director of the Office of Management and Budget; and

“(ii) submits notice of the proposed expenditure to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

“(g) AUDIT.—(1) Not later than December 31 each year, the Inspector General of the Central Intelligence Agency shall conduct an audit of the activities under the program during the preceding fiscal year.

“(2) The Director of the Office of Management and Budget shall determine the form and content of annual audits under paragraph (1). Such audits shall include an itemized accounting of the items or services provided, the costs associated with the items or services provided, the payments and any fees received for the items or services provided, and the agencies provided items or services.

“(3) Not later than 30 days after the completion of an audit under paragraph (1), the Inspector General shall submit a copy of the audit to the following:

“(A) The Director of the Office of Management and Budget.

“(B) The Director of Central Intelligence.

“(C) The Permanent Select Committee on Intelligence of the House of Representatives.

“(D) The Select Committee on Intelligence of the Senate.

“(h) TERMINATION.—(1) The authority of the Director to carry out the program under this section shall terminate on March 31, 2000.

“(2) Subject to paragraph (3), the Director of Central Intelligence and the Director of the Office of Management and Budget, acting jointly—

“(A) may terminate the program under this section and the Fund at any time; and

“(B) upon such termination, shall provide for the disposition of the personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with the program or the Fund.

“(3) The Director of Central Intelligence and the Director of the Office of Management and Budget may not undertake any action under paragraph (2) until 60 days after the date on which the Directors jointly submit notice of such action to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.”.

(b) AVAILABILITY OF FUNDS.—Of the amount appropriated pursuant to the authorization of appropriations in section 101, \$2,000,000 shall be available for deposit in the Central Services Working Capital Fund established by section 21(c) of the Central Intelligence Agency Act of 1949, as added by subsection (a).

SEC. 404. PROTECTION OF CIA FACILITIES.

Subsection (a) of section 15 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403o) is amended—

(1) by inserting “(1)” after “(a)”;

(2) by striking out “powers only within Agency installations,” and all that follows through the end and inserting in lieu thereof the following: “powers—

“(A) within the Agency Headquarters Compound and the property controlled and occupied by the Federal Highway Administration located immediately adjacent to such Compound;

“(B) in the streets, sidewalks, and the open areas within the zone beginning at the outside boundary of such Compound and property and extending outward 500 feet;

“(C) within any other Agency installation and protected property; and

“(D) in the streets, sidewalks, and open areas within the zone beginning at the outside boundary of any installation or property referred to in subparagraph (C) and extending outward 500 feet.”; and

(3) by adding at the end the following new paragraphs:

“(2) The performance of functions and exercise of powers under subparagraph (B) or (D) of paragraph (1) shall be limited to those circumstances where such personnel can identify specific and articulable facts giving such personnel reason to believe that the performance of such functions and exercise of such powers is reasonable to protect against physical damage or injury, or threats of

physical damage or injury, to Agency installations, property, or employees.

“(3) Nothing in this subsection shall be construed to preclude, or limit in any way, the authority of any Federal, State, or local law enforcement agency, or any other Federal police or Federal protective service.

“(4) The rules and regulations enforced by such personnel shall be the rules and regulations prescribed by the Director and shall only be applicable to the areas referred to in subparagraph (A) or (C) of paragraph (1).

“(5) Not later than December 1, 1998, and annually thereafter, the Director shall submit a report to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate that describes in detail the exercise of the authority granted by this subsection, and the underlying facts supporting the exercise of such authority, during the preceding fiscal year. The Director shall make such report available to the Inspector General of the Central Intelligence Agency.”.

SEC. 405. ADMINISTRATIVE LOCATION OF THE OFFICE OF THE DIRECTOR OF CENTRAL INTELLIGENCE.

Section 102(e) of the National Security Act of 1947 (50 U.S.C. 403(e)) is amended by adding at the end the following:

“(4) The Office of the Director of Central Intelligence shall, for administrative purposes, be within the Central Intelligence Agency.”.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. AUTHORITY TO AWARD ACADEMIC DEGREE OF BACHELOR OF SCIENCE IN INTELLIGENCE.

(a) **AUTHORITY FOR NEW BACHELOR’S DEGREE.**—Section 2161 of title 10, United States Code, is amended to read as follows:

“§2161. Joint Military Intelligence College: academic degrees

“Under regulations prescribed by the Secretary of Defense, the president of the Joint Military Intelligence College may, upon recommendation by the faculty of the college, confer upon a graduate of the college who has fulfilled the requirements for the degree the following:

“(1) The degree of Master of Science of Strategic Intelligence (MSSI).

“(2) The degree of Bachelor of Science in Intelligence (BSI).”.

(b) **CLERICAL AMENDMENT.**—The item relating to that section in the table of sections at the beginning of chapter 108 of such title is amended to read as follows:

“2161. Joint Military Intelligence College: academic degrees.”.

SEC. 502. FUNDING FOR INFRASTRUCTURE AND QUALITY OF LIFE IMPROVEMENTS AT MENWITH HILL AND BAD AIBLING STATIONS.

Section 506(b) of the Intelligence Authorization Act for Fiscal Year 1996 (Public Law 104–93; 109 Stat. 974) is amended by strik-

ing out “for fiscal years 1996 and 1997” and inserting in lieu thereof “for fiscal years 1998 and 1999”.

SEC. 503. UNAUTHORIZED USE OF NAME, INITIALS, OR SEAL OF NATIONAL RECONNAISSANCE OFFICE.

(a) *EXTENSION, REORGANIZATION, AND CONSOLIDATION OF AUTHORITIES.*—Subchapter I of chapter 21 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 425. Prohibition of unauthorized use of name, initials, or seal: specified intelligence agencies

“(a) *PROHIBITION.*—Except with the written permission of both the Secretary of Defense and the Director of Central Intelligence, no person may knowingly use, in connection with any merchandise, retail product, impersonation, solicitation, or commercial activity in a manner reasonably calculated to convey the impression that such use is approved, endorsed, or authorized by the Secretary and the Director, any of the following (or any colorable imitation thereof):

“(1) The words ‘Defense Intelligence Agency’, the initials ‘DIA’, or the seal of the Defense Intelligence Agency.

“(2) The words ‘National Reconnaissance Office’, the initials ‘NRO’, or the seal of the National Reconnaissance Office.

“(3) The words ‘National Imagery and Mapping Agency’, the initials ‘NIMA’, or the seal of the National Imagery and Mapping Agency.

“(4) The words ‘Defense Mapping Agency’, the initials ‘DMA’, or the seal of the Defense Mapping Agency.”.

(b) *TRANSFER OF ENFORCEMENT AUTHORITY.*—Subsection (b) of section 202 of title 10, United States Code, is transferred to the end of section 425 of such title, as added by subsection (a), and is amended by inserting “*AUTHORITY TO ENJOIN VIOLATIONS.*—” after “(b)”.

(c) *REPEAL OF REORGANIZED PROVISIONS.*—Sections 202 and 445 of title 10, United States Code, are repealed.

(d) *CLERICAL AMENDMENTS.*—

(1) The table of sections at the beginning of subchapter II of chapter 8 of title 10, United States Code, is amended by striking out the item relating to section 202.

(2) The table of sections at the beginning of subchapter I of chapter 21 of title 10, United States Code, is amended by striking out the items relating to sections 424 and 425 and inserting in lieu thereof the following:

“424. Disclosure of organizational and personnel information: exemption for Defense Intelligence Agency, National Reconnaissance Office, and National Imagery and Mapping Agency.

“425. Prohibition of unauthorized use of name, initials, or seal: specified intelligence agencies.”.

(3) The table of sections at the beginning of subchapter I of chapter 22 of title 10, United States Code, is amended by striking out the item relating to section 445.

And the House agree to the same.

From the Permanent Select Committee on Intelligence, for consideration of the Senate bill, and the House amendment, and modifications committed to conference:

PORTER GOSS,
BILL YOUNG,
JERRY LEWIS,
BUD SHUSTER,
BILL MCCOLLUM,
MICHAEL N. CASTLE,
SHERWOOD BOEHLERT,
CHARLES F. BASS,
JIM GIBBONS,
NORM DICKS,
JULIAN C. DIXON,
DAVID E. SKAGGS,
NANCY PELOSI,
JANE HARMAN,
IKE SKELTON,
SANFORD D. BISHOP,

From the Committee on National Security, for consideration of defense tactical intelligence and related activities:

FLOYD SPENCE,
BOB STUMP,

Managers on the Part of the House.

From the Select Committee on Intelligence:

RICHARD SHELBY,
JOHN H. CHAFEE,
DICK LUGAR,
MIKE DEWINE,
JON KYL,
JAMES INHOFE,
ORRIN HATCH,
PAT ROBERTS,
WAYNE ALLARD,
DANIEL COATS,
BOB KERREY,
JOHN GLENN,
RICHARD H. BRYAN,
BOB GRAHAM,
JOHN F. KERRY,
MAX BAUCUS,
CHUCK ROBB,
FRANK LAUTENBERG,
CARL LEVIN,

From the Committee on Armed Services:

STROM THURMOND,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the Senate and the House at the conference on the disagreeing votes of the two Houses on the amendment of the House of Representatives to the bill (S. 858) to authorize appropriations for fiscal year 1998 for intelligence and the intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, submit the following joint statement to the Senate and the House in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment that is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION FOR APPROPRIATIONS

Section 101 of the conference report lists the departments, agencies, and other elements of the United States Government for whose intelligence and intelligence-related activities the Act authorizes appropriations for fiscal year 1998. Section 101 is identical to section 101 of the Senate bill and section 101 of the House amendment.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS

Section 102 of the conference report makes clear that the details of the amounts authorized to be appropriated for intelligence and intelligence-related activities and applicable personnel ceilings covered under this title for fiscal year 1998 are contained in a classified Schedule of Authorizations. The classified Schedule of Authorizations is incorporated into the Act by this section. The details of the Schedule are explained in the classified annex to this report. Section 102 is identical to section 102 of the Senate bill and section 102 of the House amendment.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS

Section 103 of the conference report authorizes the Director of Central Intelligence, with the approval of the Director of the Office of Management and Budget, in fiscal year 1998 to authorize em-

ployment of civilian personnel in excess of the personnel ceilings applicable to the components of the Intelligence Community under section 102 by an amount not to exceed two percent of the total of the ceilings applicable under section 102. The Director of Central Intelligence may exercise this authority only when doing so is necessary to the performance of important intelligence functions. Any exercise of this authority must be reported to the two intelligence committees of the Congress.

The managers emphasize that the authority conferred by section 103 is not intended to permit the wholesale raising of personnel strength in any intelligence component. Rather, the section provides the Director of Central Intelligence with flexibility to adjust personnel levels temporarily for contingencies and for overages caused by an imbalance between hiring of new employees and attrition of current employees. The managers do not expect the Director of Central Intelligence to allow heads of intelligence components to plan to exceed levels set in the Schedule of Authorizations except for the satisfaction of clearly identified hiring needs which are consistent with the authorization of personnel strengths in this bill. In no case is this authority to be used to provide for positions denied by this bill. Section 103 is identical to section 103 of the Senate bill and section 103 of the House amendment.

SEC. 104. COMMUNITY MANAGEMENT ACCOUNT

Section 104 of the conference report authorizes appropriations for the Community Management Account of the Director of Central Intelligence and sets the personnel end-strength for the Intelligence Community Management Staff for fiscal year 1998.

Subsection (a) authorizes appropriations of \$121,580,000 for fiscal year 1998 for the activities of the Community Management Account (CMA) of the Director of Central Intelligence. This amount includes funds identified for the Advanced Research and Development Committee and the Environmental Intelligence and Applications Program, which shall remain available until September 30, 1999.

Subsection (b) authorizes 283 full-time personnel for the Community Management Staff for fiscal year 1998 and provides that such personnel may be permanent employees of the Staff or detailed from various elements of the United States Government.

Subsection (c) authorizes additional appropriations and personnel for the Community Management Account as specified in the classified Schedule of Authorizations.

Subsection (d) requires, except as provided in Section 303 of this Act, or for temporary situations of less than one year, that personnel from another element of the United States Government be detailed to an element of the Community Management Account on a reimbursable basis.

Subsection (e) authorizes \$27,000,000 of the amount authorized in subsection (a) to be made available for the National Drug Intelligence Center (NDIC). This subsection is identical to subsection (e) in the House amendment. The Senate bill had no similar provision. The Senate recedes. The managers agree that continued funding of the NDIC from the NFIP deserves considerable study, and many remain concerned that the balance between law enforcement and

national security equities in the NDIC's operations is skewed in favor of the law enforcement community. This is due, in part, to placement of the NDIC within the Department of Justice.

The managers urge the President to carefully examine this problem and report to the Committees before April 1, 1998. This examination should be undertaken and reported as a part of the National Counter-Narcotics Architecture Review currently being prepared by the Office of National Drug Control Policy. The report should describe current and proposed efforts to structure the NDIC to effectively coordinate and consolidate strategic drug intelligence from national security and law enforcement agencies. It should also describe what steps have been taken to ensure that the relevant national security and law enforcement agencies are providing the NDIC with access to data needed to accomplish this task. The managers agree that upon receipt of this report the intelligence committees will reconsider whether it is appropriate to continue funding the NDIC as a part of the National Foreign Intelligence Program.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS

Section 201 is identical to section 201 of the House amendment and section 201 of the Senate bill.

TITLE III—GENERAL PROVISIONS

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW

Section 301 is identical to section 301 of the House amendment and section 301 of the Senate bill.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES

Section 302 is identical to section 302 of the House amendment and section 302 of the Senate bill.

SEC 303. DETAIL OF INTELLIGENCE COMMUNITY PERSONNEL

The managers strongly support the inauguration of the Intelligence Community Assignment Program (ICAP). This type of initiative is critical if the Intelligence Community is to prepare itself for future challenges that will require an ever increasing level of coordination and cooperation between the various elements of the community. Section 303 is similar to section 304 of the House amendment and section 303 of the Senate bill. The managers agreed to a provision that is nearly identical to that found in the House amendment. Section 303 of the conference report does not, however, terminate this authority on September 30, 2002.

SEC. 304. EXTENSION OF APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES

Section 304 of the conference report extends until January 6, 1999 the authority granted by section 303 of the Intelligence Au-

thorization Act of Fiscal Year 1996 for the President to stay the imposition of an economic, cultural, diplomatic, or other sanction or related action when the President determines and reports to Congress that to proceed without delay would seriously risk the compromise of an intelligence source or method, or an ongoing criminal investigation. Section 304 is similar to section 305 of the House amendment and section 304 of the Senate bill. The Senate bill extended the deferral authority until January 6, 2001, whereas the House amendment extended the authority until January 6, 1999. The managers agreed to adopt the House amendment with minor technical changes.

SEC. 305. SENSE OF CONGRESS ON INTELLIGENCE COMMUNITY
CONTRACTING

Section 305 expresses the sense of the Congress that the Director of Central Intelligence should continue to direct elements of the Intelligence Community to award contracts in a manner that would maximize the procurement of products produced in the United States, when such action is compatible with the national security interests of the United States, consistent with operational and security concerns, and fiscally sound. A provision similar to section 305 has been included in previous intelligence authorization acts. Section 305 is similar in intent to sections 306 through 308 of the House amendment. The Senate bill had no similar provision.

SEC. 306. SENSE OF CONGRESS ON RECEIPT OF CLASSIFIED
INFORMATION

Section 306 expresses the sense of the Congress that Members of Congress have equal standing with officials of the executive branch to receive classified information so that Congress may carry out its oversight responsibilities. The Senate bill contained a provision that directed the President to inform all employees of the executive branch, and employees of contractors carrying out duties under classified contracts, that the disclosure of classified information reasonably believed by the person to be evidence of a violation of law, regulation, or rule; false statement to Congress; gross mismanagement, waste of funds, abuse of authority; or a substantial and specific danger to public safety, is not contrary to law, executive order, regulation, or is otherwise not contrary to public policy. The Senate provision would have allowed disclosure of such information to any Member or staff member of a committee of Congress having oversight responsibility for the department, agency, or element of the Federal Government to which such information relates. The Senate bill would also have allowed disclosure of such classified information to the employee's own Representative. The House amendment had no similar provision.

The managers decided not to include section 306 of the Senate bill in the conference report. Such action should not, however, be interpreted as agreement with the Administration's position on whether it is constitutional for Congress to legislate on this subject matter. The managers' action also should not be further interpreted as agreement with the opinion of the Justice Department's Office of Legal Counsel, which explicitly stated that only the President may determine when executive branch employees may dis-

close classified information to Members of Congress. The managers assert that members of congressional committees have a need to know information, classified or otherwise, that directly relates to their responsibility to conduct vigorous and thorough oversight of the activities of the executive departments and agencies within their committees' jurisdiction.

While the managers recognize the Chief Executive's inherent constitutional authority to protect sensitive national security information, they do not agree that this authority may be asserted against Congress to withhold evidence of wrongdoing and thereby impede Congress in exercising its legislative oversight authority. Therefore, the managers committed to hold hearings on this issue and develop appropriate legislative solutions.

SEC. 307. PROVISION OF INFORMATION ON CERTAIN VIOLENT CRIMES
ABROAD TO VICTIMS AND VICTIMS' FAMILIES

Section 307 directs the Secretary of State to ensure that the United States Government takes all appropriate actions to identify promptly all unclassified and classified information in the possession of the United States Government regarding the killing, abduction, torture, or other serious mistreatment of a U.S. citizen abroad. The provision further requires the Secretary of State to ensure that all information is promptly reviewed and, to the maximum extent practicable, without jeopardizing sensitive sources and methods or other vital national security interests, or without jeopardizing an on-going criminal investigation or proceeding, made available to the victim or victim's family if they are United States citizens, unless such a disclosure is specifically prohibited by law.

Section 307 is similar to section 307 of the Senate bill. The House amendment had no similar provision. The managers agreed to a provision that limits the release of information to U.S. citizens. The managers also exempted from disclosure information that may jeopardize an on-going criminal investigation or proceeding. Additionally, the managers acknowledged that there are certain statutes that specifically prohibit disclosure of certain types or categories of information and, therefore, added language that defers to those statutory prohibitions.

The managers recognized that the term "information" is very broad and may be interpreted to include all forms of information in the possession of the United States Government. The managers also recognized that the various agencies and departments of the United States Government may have in their possession non-official information that is readily available to the public via other means, e.g. press clippings. Therefore, the managers intend the term "information" to be construed to mean information that is not available to the victims or families unless provided to them by the United States Government.

SEC. 308. REPORT ON INTELLIGENCE ACTIVITIES OF THE PEOPLE'S
REPUBLIC OF CHINA

Section 308 directs the Director of Central Intelligence and the Director of the Federal Bureau of Investigation, in consultation with the heads of other appropriate Federal agencies, to prepare and transmit to Congress a report on the intelligence activities of

the People's Republic of China directed against or affecting the interests of the United States. Section 308 is similar to section 309 of the House amendment. The Senate bill had no similar provision.

SEC. 309. STANDARDS FOR SPELLING OF FOREIGN NAMES AND PLACES
AND FOR USE OF GEOGRAPHIC COORDINATES

Section 309 directs the Director of Central Intelligence to carry out a survey of current standards for the spelling of foreign names and places, and the geographic coordinates for such places. This provision further directs the Director of Central Intelligence to submit the results of the survey to the congressional intelligence committees and issue guidelines to ensure uniform spelling of foreign names and places and the uniform use of geographic coordinates for such places.

Section 309 is nearly identical to section 308 of the Senate bill. The House amendment had no similar provision.

SEC. 310. REVIEW OF STUDIES ON CHEMICAL WEAPONS IN THE PERSIAN
GULF DURING THE PERSIAN GULF WAR

Section 310 directs the Inspector General (IG) of the Central Intelligence Agency to complete a review of the studies conducted by the Federal Government regarding the presence, use, or destruction of chemical weapons in the Persian Gulf theater of operations during the Persian Gulf War. This review is required to be completed not later than May 31, 1998. Section 310 is similar to section 310 of the House amendment. The Senate bill had no similar provision.

The managers were aware of at least ten investigations or studies that were in various states of completion. The managers noted that the CIA IG is already in the final stages of two major projects related to chemical weapons and the Persian Gulf War. At the request of former Director of Central Intelligence Deutch, the IG is assessing allegations made by two former Agency employees regarding the CIA's handling of information concerning the possible exposure of United States personnel to chemical weapons. Additionally, in support of the Presidential Advisory Committee on Gulf War Veterans' Illnesses, the CIA IG is conducting a special assessment of the Agency's handling of information related to the Iraqi ammunition storage depot at Khamisiyah. Both of these studies are expected to be completed in October 1997. The remaining studies that relate to the possible exposure of United States forces to chemical weapons during the Persian Gulf War include the following:

1. The CIA's Persian Gulf War Illness Task Force published an unclassified report on Khamisiyah, "An Historical Perspective on Related Intelligence," in April 1997. The Agency's Directorate of Intelligence published an unclassified "Report on Intelligence Related to Gulf War Illnesses," in August 1996.

2. The Assistant to the Secretary of Defense for Intelligence Oversight is preparing a report on what information was available to the Department of Defense concerning Iraqi chemical weapons before and during the Gulf War, and what the Department did with that information.

3. The Inspector General to the Department of Defense has been tasked to investigate the disappearance of military logs related to chemical weapons alerts during the war.

4. The Inspector General of the Army is conducting a series of investigations relating to the possible exposure of U.S. troops to chemical weapons.

5. The augmented Persian Gulf Investigation Team, under the direction of the Office of the Special Assistant to the Secretary of Defense for Gulf War Illnesses, is continuing a broad inquiry into the Gulf War illness issue, including the role of chemical exposures.

6. The Presidential Advisory Committee on Gulf War Veterans' Illnesses is completing its work on answering questions from the President related to the Khamisiyah ammunition storage depot.

7. The Senate Veterans' Affairs Committee has hired a special investigator to look into Gulf War issues, and the House Veterans' Affairs Committee remains active on the issue.

8. The General Accounting Office published a report entitled "Gulf War Illnesses: Improved Monitoring of Clinical Progress and Reexamination of Research Emphasis are Needed," in June 1997. The GAO is also preparing answers to questions posed by the House Veterans' Affairs Committee concerning DoD logs and possible chemical weapons exposure incidents.

Therefore, instead of requiring the IG to undertake another investigation that would essentially mirror ongoing efforts, the managers agreed to direct the IG to conduct a review that will identify whether any additional investigation or research is necessary to determine the extent of the Central Intelligence Agency's knowledge of the presence, use, or destruction of chemical weapons and any other issue relating to the presence, use, or destruction of such weapons. The results of this review will allow the congressional intelligence committees to direct the appropriate authorities to conduct additional specific investigations without duplicating past efforts. The managers are very concerned about the handling of information relating to the presence, use, or destruction of chemical weapons in the Persian Gulf theater of operations; they remain committed to ensuring a thorough understanding of these matters.

SEC. 311. EXCEPTIONS TO CERTAIN FAIR CREDIT REPORTING REQUIREMENTS RELATING TO NATIONAL SECURITY INVESTIGATIONS

Section 311 amends the Fair Credit Reporting Act (FCRA) to allow for a limited exception to particular consumer disclosure requirements and exempts a reseller of a consumer report, under certain conditions, from disclosing the identity of an end-user of a consumer report as required by P.L. 104-208, Division A, Title II, Subtitle D, Chapter 1, §2403(b) and §2407(c), respectively. These provisions became effective on September 30, 1997. There was no similar provision to section 311 in the Senate bill or the House amendment. The managers received a letter from the Chairman of the House Committee on Banking and Financial Services supporting this provision. The content of the letter is as follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON BANKING AND FINANCIAL SERVICES,
Washington, DC, September 16, 1997.

Hon. PORTER J. GOSS,
Chairman, Permanent Select Committee on Intelligence,
Washington, DC.

DEAR MR. CHAIRMAN: I am writing with regard to the proposed Fair Credit Reporting Act (FCRA) amendments to the Intelligence Authorization Act for Fiscal Year 1998. I appreciate your staff apprising the Banking Committee of these proposed provisions.

Amendments to the FCRA that were enacted in the 104th Congress and effective September 30, 1997, will require employers to give advance notice to employees prior to taking an adverse action based on an employee's consumer report. In addition, the laws requires sellers of consumer reports to disclose to consumers the end users of the reports. It is my understanding that the Central Intelligence Agency (CIA) and other intelligence representatives are concerned that these provisions could adversely impact the ability of U.S. government agencies involved in national security matters to conduct investigations of employees suspected of posing a security risk or counterintelligence risk. As a result, the intelligence community has proposed two changes to the FCRA which it would like included in the legislation during conference consideration of the bill. Enclosed is legislative language implementing these changes which has been vetted with the intelligence community and which I can support.

The first proposed change to the FCRA would provide a waiver for agencies engaged in national security matters from the requirement that an employee be notified prior to his/her employer taking an adverse action based on the employee's consumer report. The waiver would apply when a senior department head makes a written finding that credit information regarding an employee is relevant to a legitimate national security investigation and that advance notice would jeopardize the investigation and endanger personnel and classified information. The second proposed change to the FCRA would provide that resellers of consumer reports are not required to disclose the identity of the end user if the end user is a U.S. government agency which has requested the consumer report as part of a top secret security clearance process.

The FCRA falls under the jurisdiction of the Committee on Banking and Financial Services. In the interest of time, and based on Banking Committee staff discussions with Intelligence Committee staff and officials representing the intelligence community, the Banking Committee will not exercise its jurisdiction at this time over the proposed FCRA amendments. The Banking Committee does maintain, however, its jurisdiction over the FCRA and reserves the right to referral of all provisions related to the FCRA in the future.

Again, I appreciate your staff and officials from the intelligence community bringing these proposed FCRA changes to the attention of the Banking Committee. I believe that the attached changes to

the FCRA, are reasonable and should be included in the Intelligence Authorization Act.

Sincerely,

JAMES A. LEACH, *Chairman*.

CIA employees and most CIA contractors with staff-like access are required to have a Top Secret (TS) clearance with Sensitive Compartmented Information (SCI) access. National Security Directive 63 (NSD 63), requires all executive branch agencies to verify the financial status and credit habits of individuals considered for access to TS and SCI material. Consequently, the agencies obtain a consumer report for all applicants, employees, and contractors. Such applicants, employees, and contractors sign a written consent to release this information as a part of their application process or routine reinvestigation. This consent is attached to the Standard Form (SF) 86 (Questionnaire for National Security Positions).

In addition to the SF 86, Title 50, United States Code, section 435(a)(3) requires all individuals with access to classified information to consent to the release of financial background information during the period of such access. A section 435 release authorizes investigative agencies to obtain a wide variety of financial information. The release may only be used, however, when an individual is suspected of disclosing classified information to a foreign power, has excessive indebtedness or unexplained wealth, or, by virtue of his access to compromised classified information, is suspected of disclosing such information to a foreign power. Additionally, under Title 50, United States Code, section 436(b), the fact that a section 435 release has been executed by an investigative agency to obtain a consumer report may not be legally disclosed to the consumer or anyone other than representatives of the requesting agency. Therefore, the FCRA, as amended, would not require notification of the consumer when the consumer report is obtained under section 435.

The managers understand, however, that an agency or department may need to examine an employee's consumer report to make an early assessment of the employee's consumer spending habits. The need for early access to a consumer report arises in cases where there are indications that an employee presents security or counterintelligence concerns, but the threshold to execute a section 435 release has not been met. Under current law, a consumer report may be obtained in such cases without notifying the employee.

As of September 30, 1997, however, the Fair Credit Reporting Act (15 U.S.C. § 1681 et seq.), as amended by the "Consumer Credit Reporting Reform Act of 1996," among other things, requires employers to notify individuals before an "adverse action" is taken based in whole or in part on a consumer report and provide the consumer with a copy of the report. "Adverse action" is defined very broadly by the FCRA, as amended. This presents a problem to agencies or departments conducting legitimate national security investigations because they may take "adverse action" based on information in a consumer report obtained outside of a section 435 release and will have to notify an employee in the earliest stages of an investigation that they have taken such action. Once alerted, the subject of the investigation who is in actual contact with a foreign intelligence service may cease, or more carefully conceal, con-

tacts with foreign agents making it more difficult to detect actual espionage activity.

Section 311(a) provides a limited exception to the consumer notification requirement for legitimate national security investigations when certain factors are present. The managers are aware, however, of the abuses that prompted the enactment of the "Consumer Credit Reporting Reform Act of 1996" and are sensitive to the need for the consumer protections contained therein. Therefore, section 311(a) requires the head of the department or agency to make a written finding, to be maintained in the employee's personnel security file, as to such factors before an exception may be made. Further, an exception may be made only when adverse action is based in part on information obtained from a consumer report. An exception is not available for adverse action which is based in whole on such information. Also, upon the conclusion of an investigation or when the factors are no longer present, the head of the department or agency is required to provide a copy of the credit report and notice of any adverse action which is based in part on such report. The head of the department or agency will also have to identify the nature of the investigation to the consumer concerned. Additionally, the managers note that protections such as notice and opportunity to respond and correct information are already provided by the CIA to individuals for whom a security clearance has been denied or revoked. The managers also understand that all information obtained from a consumer report will be shared with an appellant contesting an adverse security decision. The CIA also provides the identity of the reporting agency so that an appellant may challenge the accuracy of the report directly with the reporting agency. The managers support these policies and urge their continuation.

The FCRA, as amended, will also require a reseller of a consumer report to disclose to the consumer reporting agency that originally furnishes the report the identity of the end-user of the report. Hence, the CIA will have to be identified as the end-user in the records of the source consumer reporting agency. Therefore, this new requirement will create significant security and safety concerns for CIA applicants, employees, and activities involving classified contracts because the data bases of consumer reporting agencies are not secure and are vulnerable to foreign intelligence services.

Section 311(b) provides an exemption to the end-user identification requirements of the FCRA, as amended. A department or agency that seeks an exemption under this provision must certify to the reseller that nondisclosure is necessary to protect classified information or the life or physical safety of an applicant, employee, or contractor with the agency or department.

The amendments in subsections (a) and (b) shall take effect as if such amendments had been included in chapter 1 of subtitle D of the Economic Growth and Regulatory Paperwork Reduction Act of 1996. The managers believe section 311 strikes a reasonable balance between the needs of the consumer and the need to protect national security information.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. MULTIYEAR LEASING AUTHORITY

Section 401 amends section 5 of the Central intelligence Agency Act of 1949 to provide clear statutory authority for the CIA to enter into multi-year leases of terms not to exceed 15 years. Section 401 is similar to section 401 of the Senate bill and nearly identical to section 401 of the House amendment.

The managers adopted this provision specifically without any reference to section 8 of the CIA Act of 1949. It is the CIA's position that section 8 authorizes the CIA to enter into covert multi-year leases. The managers agreed that if the reference to section 8 remained in section 401 of the conference report it would be tantamount to a statutory endorsement of the CIA's interpretation. The managers left that question open and agreed that the issue requires further analysis. Therefore, section 401 is not intended to modify or supersede any multi-year leasing authority granted to the Director of Central Intelligence under section 8, as presently construed. The managers also concurred with the reporting requirement contained in the Senate report for covert leases and request that the report be provided to both committees.

SEC. 402. SUBPOENA AUTHORITY FOR THE INSPECTOR GENERAL OF THE CENTRAL INTELLIGENCE AGENCY

Section 402 amends section 17(e) of the CIA Act of 1949 to provide the CIA Inspector General (IG) with authority to subpoena records and other documentary information necessary in the performance of functions assigned to the IG. Section 402 is identical to section 402 in the Senate bill. The House amendment had no similar provision.

The Inspectors General throughout the Federal Government are responsible for identifying corruption, waste, and fraud in their respective agencies or departments. All other statutory Inspectors General have subpoena authority to compel the production of records and documents during the course of their investigations. The CIA IG's enabling statute did not provide subpoena authority. The managers agreed that the CIA IG needed the same authority as other executive branch Inspectors General to adequately fulfill the CIA IG's statutory obligations.

SEC. 403. CENTRAL SERVICES PROGRAM

Section 403 establishes a "Central Services Program" and its necessary working capital fund at the CIA. Section 403 is similar to section 402 of the House amendment. The Senate bill had no similar provision. The managers welcome this initiative to make the administrative support services provided by the CIA more efficient and competitive.

SEC. 404. PROTECTION OF CIA FACILITIES

Section 404 authorizes the CIA security protective officers to exercise their law enforcement functions 500 feet beyond the confines of CIA facilities and also onto the Federal Highway Administration (FHWA) property immediately adjacent to the CIA Head-

quarters compound, subject to certain limitations. Section 404 is similar to section 403 of the House amendment. The Senate bill had no similar provision.

The managers recognized the growing threat of terrorist attacks and the particular attraction of CIA facilities as potential targets of such attacks. The managers were also sensitive, however, to the public's reaction to an unlimited grant of jurisdiction, considering that the 500 foot zone extends onto residential property in some areas. Therefore, the exercise of this new authority is expressly limited to only those circumstances where the CIA security protective officers can identify specific and articulable facts giving them reason to believe that the exercise of this authority is reasonable to protect against physical damage or injury, or threats of physical damage or injury, to CIA installations, property, or employees. This provision also expressly states that the rules and regulations prescribed by the Director of Central Intelligence for agency property and installations do not extend into the 500 foot area established by this provision. Thus, there will be no restrictions, for example, on the taking of photographs within the 500 foot zone.

The managers do not envision a general grant of police authority in the 500 foot zone, but do envision the CIA security protective officers functioning as federal police, for limited purposes, within the 500 foot zone with all attendant authorities, capabilities, immunities, and liabilities. The managers expect the Director of Central Intelligence to coordinate and establish Memoranda of Understanding with all federal, state, or local law enforcement agencies with which the CIA will exercise concurrent jurisdiction in the 500 foot zones. The Director of Central Intelligence shall submit such Memoranda of Understanding to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives. The Director of Central Intelligence is also expected to develop a training plan to familiarize the Agency's security protective officers with their new authorities and responsibilities. The Director of Central Intelligence shall submit such plan to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives not later than 30 days after the enactment of this provision.

Section 404 also includes a reporting requirement so that the intelligence committees may closely scrutinize the exercise of this new authority.

SEC. 405. ADMINISTRATIVE LOCATION OF THE OFFICE OF THE DIRECTOR OF CENTRAL INTELLIGENCE

Section 405 is identical to section 303 of the House amendment and section 305 of the senate bill.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. AUTHORITY TO AWARD ACADEMIC DEGREE OF BACHELOR OF SCIENCE IN INTELLIGENCE

Section 501 is identical to section 501 of the House amendment and similar to section 501 of the Senate bill.

SEC. 502. FUNDING FOR INFRASTRUCTURE AND QUALITY OF LIFE
IMPROVEMENTS AT MENWITH HILL AND BAD AIBLING STATIONS

Section 502 is identical to section 502 of the Senate bill and section 503 of the House amendment.

SEC. 503. UNAUTHORIZED USE OF THE NAME, INITIALS, OR SEAL OF
THE NATIONAL RECONNAISSANCE OFFICE

Section 503 prohibits the unauthorized use of the name, initials, or seal of the National Reconnaissance Office and consolidates all preexisting unauthorized use prohibitions for the Intelligence Community under one in section in subchapter I of chapter 21 of title 10, United States Code. Section 503 is similar to section 503 of the Senate bill and section 502 of the House amendment. The managers agreed to require the permission of both the Secretary of Defense and the Director of Central Intelligence before any person may use the name, initial, or seal of the National Reconnaissance Office, Defense Intelligence Agency, the National Imagery and Mapping Agency, or the Defense Mapping Agency in connection with any merchandise, retail product, impersonation, solicitation, or commercial activity.

PROVISIONS NOT INCLUDED IN THE CONFERENCE REPORT

Sense of the Senate

Section 309 of the Senate bill expressed a sense of the Senate that any tax legislation enacted by Congress this year should meet a standard of fairness in its distributional impact on upper, middle, and lower income taxpayers. The House amendment has no similar provision. The Senate recedes.

Title VI—Miscellaneous Community Program Adjustments

Title VI of the House amendment contained eight sections. Sections 601 through 604, and 606 through 608 addressed various defense tactical intelligence and related activities. The managers are aware that the conference committee negotiating the National Defense Authorization Act for Fiscal Year 1998 is considering these same issues, and note that several of these provisions will likely be included in that conference report. Without waiving jurisdiction, the managers agreed not to include these provisions in the conference report.

Section 605 established new requirements relating to the Congressional Budget Justification Books (CJBs). The managers understand that the Community Management Staff is currently revising the structure of the CJBs and the material contained therein in an effort to make these documents more informative and responsive to congressional needs. The managers urge the Community Management Staff to continue to work with those committees that use the CJBs to address the concerns raised by those committees regarding the content and structure of the CJBs. In light of this on-going review, the managers agreed to defer legislative action pending the outcome of those discussions.

From the Permanent Select Committee on Intelligence, for consideration of the Senate bill, and the House amendment, and modifications committed to conference:

PORTER GOSS,
BILL YOUNG,
JERRY LEWIS,
BUD SHUSTER,
BILL MCCOLLUM,
MICHAEL N. CASTLE,
SHERWOOD BOEHLERT,
CHARLES F. BASS,
JIM GIBBONS,
NORM DICKS,
JULIAN C. DIXON,
DAVID E. SKAGGS,
NANCY PELOSI,
JANE HARMAN,
IKE SKELTON,
SANFORD D. BISHOP,

From the Committee on National Security, for consideration of defense tactical intelligence and related activities:

FLOYD SPENCE,
BOB STUMP,

Managers on the Part of the House.

From the Select Committee on Intelligence:

RICHARD SHELBY,
JOHN H. CHAFEE,
DICK LUGAR,
MIKE DEWINE,
JON KYL,
JAMES INHOFE,
ORRIN HATCH,
PAT ROBERTS,
WAYNE ALLARD,
DANIEL COATS,
BOB KERREY,
JOHN GLENN,
RICHARD H. BRYAN,
BOB GRAHAM,
JOHN F. KERRY,
MAX BAUCUS,
CHUCK ROBB,
FRANK LAUTENBERG,
CARL LEVIN,

From the Committee on Armed Services:

STROM THURMOND,

Managers on the Part of the Senate.